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Washington, DC 20405

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Subject: Telephone Number Portability, CC Docket No. 95-116.

Dear Mr. Caton:

Enclosed please find the original and nine copies of the General Services Administration's Reply Comments for filing in the above-referenced proceeding. A copy of this filing has been served on all interested parties.

Sincerely,

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Enclosures

cc: Policy and Program Planning Division (2 copies)
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**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)
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Telephone Number Portability)
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_____)

CC Docket No. 95-116
RM 8535

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REPLY COMMENTS OF THE GENERAL SERVICES ADMINISTRATION

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REPLY COMMENTS OF THE GENERAL SERVICES ADMINISTRATION

The General Services Administration ("GSA") submits these Reply Comments on behalf of the Federal Executive Agencies in response to the initial comments of the parties on the Commission's Notice of Proposed Rulemaking ("NPRM"), FCC 95-284, released July 13, 1995, concerning telephone number portability.

I. Introduction

Most of the parties submitting comments in this proceeding can be categorized into five groups:

1. The Local Exchange Carriers ("LECs") and their associations, including the regional Bell Companies, GTE, U.S. Telephone Association, National Exchange Carriers Association, and several associations of small telephone companies and cooperatives;
2. The Competitive Carriers and their associations, including the Interexchange Carriers ("IXCs"), several Competitive Access Providers ("CAPs"), and companies and associations of the cable television industry;
3. The Wireless Telephone Industry, including associations and companies involved in cellular telephones, personal communications systems, and paging services;

4. State Regulatory Commissions and their national association; and
5. The "900" Information Services industry.

Notably absent from this list of commenting parties are end users of telecommunications services. Indeed, it appears that GSA was the only end user to file comments in response to the Commission's NPRM. While GSA does not purport to speak for all end users, it does provide a perspective possibly missing from the comments of other parties. Unlike most of the parties, GSA has no proprietary interest in any given structure of the telecommunications industry. GSA's sole interest is in maximizing the power of the Federal Executive Agencies, as consumers, to control their telecommunications services and costs, especially through competitive procurements which depend upon competitive alternatives. GSA believes that number portability is critical to the exercise of that power.

II. Service Provider Number Portability Is Critical To The Development Of Effective Local Service Competition.

While no party explicitly opposed the concept of service provider number portability, several of the LECs denigrated its importance to the development of competition for local exchange telephone service. BellSouth, for example, asserts that "[t]here is at best inconclusive market demand for number portability in the wireline market."¹ GTE Service Corp. states that "although LNP (local number portability) will contribute to the development of competition in the market for local exchange service,

¹ Comments of BellSouth at 5.

competition will develop with or without LNP...."²

Pacific Telesis claims to have determined, through a voluminous study, that the importance of number portability has been vastly overstated.³ That study, which is attached to Pacific Telesis' comments, finds that "[to] capture businesses not likely to switch because of a number change, only a 12% discount is required." It also finds that, "in any given situation (i.e. combination of discounting brand and service bundling), the addition of number portability only captures approximately 10% of the business market."⁴

The wording of these conclusions, particularly the use of the word "only," conveys a bias in the study that casts doubt on its objectivity. The first conclusion might have read, "in order for a new entrant to match the rates of the incumbent, it must offer a discount of 12 percent to overcome the obstacle created by number portability. To win market share, it must offer discounts below that 12 percent." The second conclusion might have read, "in any given situation, the incumbent carrier captures 10 percent of the business market simply by reason of the absence of number portability."

Citizen's Utilities takes issue with the study sponsored by Pacific Telesis. It reports that approximately 85 percent of the customer sales contacts of its Electric Lightwave subsidiary end when a customer is informed that the purchase of dialtone service will involve a number change. Citizens also challenges the 12 percent discount figure as

² Comments of GTE, Summary at iii.

³ Comments of Pacific Telesis at 3.

⁴ Comments of Pacific Telesis, Attachment A, page 17 (emphasis added).

insufficient to overcome business customer resistance to a number change.⁵

The Commission does not need to make a specific quantitative finding as to the exact impact of number portability on the market for local exchange service to conclude that its absence is a significant impediment to effective competition. The Commission need only find that the absence of number portability is one of the impediments to the realization of effective competition for local exchange telephone services.

III. Interim Number Portability Should Be Mandated For All Offices Where Remote Call Forwarding Has Been Implemented.

Fortunately, the lack of number portability is an impediment to competition that can be removed quickly and with present technology. Pacific Telesis observes that Remote Call Forwarding ("RCF") can be used to implement number portability with existing technology. To the extent that the LECs have purchased and deployed this feature in their end offices, there is no time requirement involved. RCF is transparent to the user.⁶ Ameritech states that it is already using this technology for number portability services in Michigan and Illinois.⁷

The only LEC that opposes the use of RCF is SBC Communications ("SBC"), and its objections are directed to its use as a long-term solution. SBC argues that RCF is not viable in the long term because it consumes two numbers and requires added switching

⁵ Comments of Citizens Utilities at 4.

⁶ Comments of Pacific Telesis Group at 29.

⁷ Comments of Ameritech at 13.

and trunking capacity.⁸

No party proposes RCF as an appropriate long-term solution for number portability. However, in light of its current availability and low short-term incremental cost, it would appear to be an appropriate interim solution for number portability until a standard, nationwide long-term technology and architecture can be agreed upon.

While several LECs acknowledge the suitability of RCF as an interim solution, none appears willing to recommend that the Commission adopt it as the basis for mandating number portability. SBC argues that there is inadequate end user demand for number portability to justify mandating number portability at all.⁹ This is a classic "chicken or egg" proposition: The reason there is little demand for number portability is that there is little local service competition, and one of the reasons there is little local service competition is the absence of number portability.

Clearly, if the market for local switched services is to be opened to competition, this obstacle must be removed, and there is no reason why it should not be removed immediately. The LECs have no particular incentive to provide number portability voluntarily, so the Commission, as the sole agency with nationwide authority, should mandate number portability. Specifically, the Commission should mandate that number portability must be provided to competitive LECs in any switching office where RCF capability has been deployed.

⁸ Comments of SBC at 17.

⁹Id. Summary at ii.

One of the advantages of mandating interim number portability is that it should hasten the resolution of long-term number portability. That is because the LECs would derive no competitive advantage from delay, since number portability would already be available to their competitors. Moreover, to the extent that growth in the use of RCF for number portability may strain the LECs' network capacity, the LECs would be encouraged to find a solution that relieves the strain.

Finally, mandated interim number portability should resolve the concern expressed by many parties that the Commission not mandate any long-term solutions.¹⁰ It does not need to. Rather, the Commission need only mandate the function of service provider portability. The mechanics of providing this function can be worked out by the LECs and their competitors over time.

IV. Local Location Portability Should Also Be Mandated To The Extent Feasible With Existing Technology.

Many of the parties express reservations about locational portability on the grounds that it could involve expensive network modifications and that it might degrade the North American Numbering Plan.¹¹ Almost all parties commenting on this issue recognize that considerably more evaluation of the various alternative solutions will be required, and that the final solution should be compatible, if not uniform, nationwide.¹²

¹⁰ See, e.g., Comments of Bell Atlantic at 8.

¹¹ See, e.g., Comments of at 7; US West at 15; Pacific Telesis at 26.

¹² See, e.g., Comments of Pacific Telesis, Summary at iii.

This does not mean, however, that some locational portability cannot be provided in the meantime. To the extent that end-users change both service provider and location within a common calling zone, it should be feasible to use the same short-term RCF procedure as is used for service provider portability. It may also be possible to provide locational portability within area code regions. It is not until customers move across area code boundaries that technical, marketing and number plan problems arise. The Commission should therefore consider, as part of its mandatory interim number portability order, requiring locational portability within area codes to the extent technically feasible.

V. The Commission Should Adopt Geographic And Service Number Portability As Long-Term Objectives.

Of the three forms of number portability, service provider, location, and service, only the first (and, within limited areas the second) can be implemented easily with existing, in-place technology. The comments of the parties make quite clear that the other two forms of number portability -- location and service -- involve considerably more complex technical, operational and organization problems.

As objectives, however, they are not so complex. As the Omnipoint Corporation suggests, "the greater the geographic coverage (of number portability), the more meaningful the benefits to the consumer."¹³ Similarly, Nextel noted that "[b]y eliminating an existing entry barrier into both the wireline and wireless telecommunications

¹³ Comments of Omnipoint Corporation, Summary.

marketplace, number portability should increase competition, thereby benefitting consumers through more choices, lower prices and enhanced services."¹⁴

Not all parties agree. BellSouth, for example, argues that number portability should not be imposed on the CMRS industry because there are already at least two competing carriers in every market, and more carriers will appear with the entry of up to six Personal Communications Services carriers.¹⁵

GSA submits that the existence of multiple providers renders number portability more, rather than less important. If each number is discrete to a single carrier, then customer choice among those carriers is limited by the requirement to change numbers whenever the carrier is changed. The ability to maintain a consistent number regardless of carrier adds to the customer's flexibility.

Moreover, the ability of the new PCS industry to compete with the incumbent cellular and wireline carriers will be greatly enhanced if customers are not tied to carrier or service specific numbers. Indeed, the very concept of "personal communications" suggests that the number follows the customer wherever he goes by whatever means of communications. This kind of universal personal coverage could be provided only in an environment where the customer can be accessed with the same number over both wireless and wireline service.

GSA is not in a position to comment on the technical and operational problems confronting this ideal of full personal number portability. It accepts that they are as

¹⁴ Comments of Nextel, Summary.

¹⁵ Comments of BellSouth at 12.

difficult as the commenting parties portray them to be. Notwithstanding these problems, however, GSA urges the Commission to adopt full locational and service number portability as a long-range policy goal.

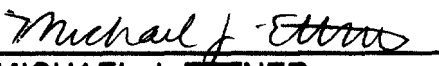
VI. Conclusion


The comments of the parties in this proceeding demonstrate that immediate interim service provider portability is a feasible and desirable short-term goal. As a long-term goal, GSA strongly urges the Commission to adopt full locational and service number portability.

Respectfully submitted,

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October 12, 1995

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